

California State Teachers' Retirement Board
Investment Committee

Subject:	Activity Status Report - Credit Enhancement Program	Item Number: <u>14</u>
		Attachment(s): <u>2</u>
Action:		Date of Meeting: <u>March 3, 1999</u>
	<u> </u>	
Information:	<u> X </u>	Presenters: <u>Mr. Rose</u>

EXECUTIVE SUMMARY

CALSTRS has been selected to provide credit enhancement in support of two multifamily housing projects in the City of Ontario for a total of \$6.7 million. The Ontario Redevelopment Agency is the borrower. The bonds were issued in 1996. CALSTRS is stepping in to "wrap" the existing bank.

At the time of the writing of this report, The Mission Viejo Mall Improvement Project is expected to have closed on February 24, 1999.

1. Ontario Redevelopment Agency, Ontario, CA.

CALSTRS has been selected to provide credit enhancement in support of an existing bond issuance of \$6.7 million by the Ontario Redevelopment Agency. The bonds were issued for the acquisition and rehabilitation of affordable housing for two projects. Gross tax increment revenues of the Ontario Redevelopment Agency support the project bonds.

Terrace View Apartments

Terrance View is a 75 unit multi-family housing project in the City of Ontario. The complex consists of 3 studio apartments, 59 one bedroom/one bath units, 11 two bedroom/one bath units and 2 three-bedroom/two bath units. The complex has 56,843 rentable square feet and lies on a 1.878-acre parcel.

Parc Vista Apartments

Parc Vista is a 78 unit multi-family housing project in the City of Ontario. The complex consists of 8 studio units, 26 one bedroom/one bath units, and 44 two bedroom/one and ½ bath units. The complex has 62,192 rentable square feet and lies on 1.878 acre parcel.

STRS CREDIT ENHANCEMENT PROGRAM
PROGRAM SUMMARY AS OF FEBRUARY 10, 1999

Attachment 1
Item 14

Transactions	Type	Closing Date	End of Commitment	STRS Commitment	Interest	Total Commitment	Fiscal 1998 - 99 Fee Income	Fee Income To Date
DIRECT RISK								
Port of Long Beach	Liquidity	Jun-94	Feb-00	\$75,000,000	\$0	\$75,000,000	\$79,181	\$226,193
Bridge - Richmond Townhomes	Expired. Redeemed as of Feb-97.							\$15,096
USA Waste Industries	Credit	Nov-94	Nov-99	\$9,764,121	\$0	\$9,764,121	\$46,108	\$227,007
Sanifill, Inc.	Expired. Redeemed as of Jan-98.			\$0	\$0	\$0	\$43,809	\$87,618
San Diego Unified Port District (20)	Credit	Oct-97	Oct-02	\$35,000,000	\$1,365,243	\$36,365,243	\$13,079	\$38,332
San Diego Unified Port District (21)	Credit	Oct-97	Oct-02	\$15,000,000	\$585,104	\$15,585,104	\$13,079	\$25,832
Pasadena Parking Authority	Credit	Jan-98	Jan-03	\$9,000,000	\$693,750	\$9,693,750	\$23,477	\$28,747
Pasadena Rosebowl (22)	Credit	Jun-98	Jun-01	\$15,600,000	\$276,956	\$15,876,956	\$20,891	\$20,891
DIRECT RISK - SECURED								
Buck Research on Aging	Credit	Dec-96	Dec-99	\$27,500,000	\$397,808	\$27,897,808	\$139,024	\$415,303
BOND INSURED								
Adventist West	Credit	Feb-98	Feb-05	\$114,500,000	\$1,693,973	\$116,193,973	\$93,384	\$141,568
DIRECT PAY LETTERS OF CREDIT								
Pt. Loma College	Expired. Redeemed as of Nov-98.			\$0	\$0	\$0	\$69,260	\$360,334
City of Visalia (California)	Credit	Sep-96	Sep-01	\$3,385,000	\$70,111	\$3,455,111	\$17,094	\$49,170
LA Fairplex	Credit	Jul-97	Jul-01	\$17,900,000	\$698,224	\$18,598,224	\$51,997	\$163,340
Master-Halco Series 1986-II	Credit	Nov-98	Nov-01	\$1,900,000	\$39,978	\$1,939,978	\$1,000	\$1,000
TransAmerica Series 1986-V	Credit	Nov-98	Nov-01	\$1,050,000	\$22,093	\$1,072,093	\$1,000	\$1,000
CSCDA - IDB's								
Series 1994B								
Propak of California	Credit	Nov-94	Nov-01	\$2,720,000	\$60,809	\$2,780,809	\$2,504	\$47,681
J. Michelle/Edie Lee	Credit	Nov-94	Nov-01	\$2,000,000	\$44,712	\$2,044,712	\$2,393	\$50,000
Pasco Scientific	Credit	Dec-94	Dec-00	\$2,295,000	\$51,307	\$2,346,307	\$2,443	\$48,479
American River Packaging	Credit	Dec-94	Dec-00	\$1,725,000	\$38,564	\$1,763,564	\$1,776	\$30,787
Lance Camper Manuf.	Credit	Dec-94	Dec-00	\$3,225,000	\$72,099	\$3,297,099	\$3,408	\$59,434
CSCDA - IDB's								
Series 1989-90								
Intermountain Trading	Credit	Feb-95	Feb-01	\$290,000	\$6,483	\$296,483	\$1,065	\$8,291
Andercraft Products	Credit	Feb-95	Feb-01	\$775,000	\$17,326	\$792,326	\$3,044	\$25,951
Sunclipse, Inc. (Alhambra)	Credit	Feb-95	Feb-01	\$3,200,000	\$71,540	\$3,271,540	\$6,181	\$46,933
Sunclipse, Inc. (Union City)	Credit	Feb-95	Feb-01	\$2,135,000	\$47,730	\$2,182,730	\$4,243	\$34,671
Busseto Foods, Inc. (Rapelli of CA)	Credit	Mar-95	Mar-01	\$2,500,000	\$55,890	\$2,555,890	\$4,907	\$36,982

STRS CREDIT ENHANCEMENT PROGRAM

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AHNNN, Inc.	Expired.	Redeemed as of Sept-97.		\$0	\$0	\$0	\$0	\$9,416
Zarn, Inc.	Credit	Mar-95	Feb-01	\$610,000	\$13,637	\$623,637	\$2,302	\$21,932
Marcel & Marge Schurman	Credit	Mar-95	Feb-01	\$1,625,000	\$36,329	\$1,661,329	\$3,843	\$28,149
Charles & Loralie Harris	Credit	Mar-95	Feb-01	\$2,310,000	\$51,643	\$2,361,643	\$5,132	\$37,470
American Zettler	Credit	Mar-95	Mar-01	\$2,070,000	\$46,277	\$2,116,277	\$4,082	\$28,380
Aqua Serv Engineering	Credit	Mar-95	Mar-01	\$1,420,000	\$31,746	\$1,451,746	\$5,040	\$37,519
Contech Engineering Prod.	Credit	Mar-95	Mar-01	\$1,320,000	\$29,510	\$1,349,510	\$2,569	\$19,846
Evapco, Inc.	Credit	Mar-95	Mar-01	\$495,000	\$11,066	\$506,066	\$1,014	\$8,306
Florestone Products Co.	Credit	Mar-95	Mar-01	\$1,480,000	\$33,087	\$1,513,087	\$2,870	\$22,927
Grundfos Pumps Company	Credit	Mar-95	Mar-01	\$6,000,000	\$134,137	\$6,134,137	\$11,055	\$72,725
Instrument Specialities Co.	Credit	Mar-95	Mar-01	\$685,000	\$15,314	\$700,314	\$1,371	\$12,325
McCain Citrus	Credit	Mar-95	Mar-01	\$3,000,000	\$67,068	\$3,067,068	\$4,785	\$32,300
Mc Elroy Metal Mills, Inc.	Credit	Mar-95	Mar-01	\$440,000	\$9,837	\$449,837	\$1,020	\$11,555
NRI, Inc.	Credit	Mar-95	Mar-01	\$1,505,000	\$33,646	\$1,538,646	\$2,877	\$20,918
W & H Voortman, Inc.	Credit	Mar-95	Mar-01	\$2,460,000	\$54,996	\$2,514,996	\$3,969	\$28,450
Image Laboratories, Inc.	Expired.	Redeemed as of Dec-96.		\$0	\$0	\$0	\$0	\$26,854
Allwire, Inc.	Credit	Mar-95	Mar-01	\$300,000	\$6,707	\$306,707	\$1,323	\$9,424
Fairway Molds, Inc.	Credit	Mar-95	Mar-01	\$600,000	\$13,414	\$613,414	\$2,715	\$20,533
S & P Investments	Credit	Mar-95	Mar-01	\$1,165,000	\$26,045	\$1,191,045	\$2,947	\$21,985
Northwest Pipe & Casing	Credit	Apr-95	Apr-01	\$3,000,000	\$67,068	\$3,067,068	\$6,107	\$48,877
Reliance Upholstery	Expired.	Redeemed as of Oct-98.		\$0	\$0	\$0	\$906	\$9,261
Zieman Manufacturing	Credit	Apr-95	Apr-01	\$420,000	\$9,390	\$429,390	\$1,414	\$10,450
CSCDA - IDB's								
Series 1995A								
Carvin Corporation	Credit	Jun-95	Aug-01	\$2,230,000	\$49,854	\$2,279,854	\$4,852	\$37,909
Leegin Creative Leather Prod.	Expired.	Redeemed as of Dec-97.		\$0	\$0	\$0	\$0	\$19,469
Kennerley-Spratling	Credit	Jun-95	Aug-01	\$2,760,000	\$61,703	\$2,821,703	\$5,927	\$45,536
Vantage Properties	Credit	Jun-95	Aug-01	\$1,580,000	\$35,323	\$1,615,323	\$3,590	\$25,954
BNG Properties, LLC	Expired.	Redeemed as of Aug-96.		\$0	\$0	\$0	\$0	\$12,253
Staub Metals, Inc.	Credit	Aug-95	Aug-01	\$1,020,000	\$22,803	\$1,042,803	\$2,861	\$22,248
Aerostar Partners, Inc.	Credit	Sep-95	Sep-01	\$4,395,000	\$98,255	\$4,493,255	\$8,454	\$59,157
Walker Spring and Stamping Corp.	Credit	Sep-95	Sep-01	\$3,400,000	\$76,011	\$3,476,011	\$6,864	\$47,667
Encore Video, Inc.	Expired.	Redeemed as of Oct-98.		\$0	\$0	\$0	\$1,353	\$11,691
EuroDesign Cabinets, Inc.	Credit	Sep-95	Sep-01	\$905,000	\$20,232	\$925,232	\$2,188	\$15,821
South Bay Circuits, Inc.	Credit	Sep-95	Sep-01	\$1,800,000	\$40,241	\$1,840,241	\$3,825	\$27,025
W & H Voortman, Inc.	Credit	Sep-95	Sep-01	\$1,020,000	\$22,803	\$1,042,803	\$2,352	\$15,632
Red Line Oil Co.	Credit	Nov-95	Nov-01	\$1,035,000	\$23,139	\$1,058,139	\$1,274	\$17,150
Johansen Dielectrics	Credit	Nov-95	Nov-01	\$1,950,000	\$43,595	\$1,993,595	\$2,426	\$35,313
Peet's Coffee	Credit	Dec-95	Dec-00	\$2,620,000	\$58,573	\$2,678,573	\$3,098	\$40,206

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PROGRAM SUMMARY AS OF FEBRUARY 10, 1999

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Transactions	Type	Closing Date	End of Commitment	STRS Commitment	Interest	Total Commitment	Fiscal 1998 - 99 Fee Income	Fee Income To Date
Safariland	Credit	Sep-96	Sep-01	\$3,700,000	\$76,636	\$3,776,636	\$2,684	\$22,528
Control Air Conditioning	Credit	Jun-97	Jun-01	\$4,600,000	\$83,178	\$4,683,178	\$10,698	\$45,682
CSCDA - IDB Series 1996M Cordeiro Vault Co., Inc.	Credit	Dec-96	Dec-00	\$1,070,000	\$23,921	\$1,093,921	\$2,928	\$13,320
CSCDA - IDB Series 1996M Fibrebond West, Inc.	Credit	Dec-96	Dec-00	\$6,410,000	\$143,303	\$6,553,303	\$14,353	\$70,276
CONFIRMING LETTERS OF CREDIT								
Confirmation #1 Suncreek Apts.	Credit	Apr-96	Apr-01	\$6,800,000	\$78,247	\$6,878,247	\$17,366	\$119,602
Confirmation #2 CMIG LLC	Terminated as of August 28, 1998.			\$0	\$0	\$0	\$2,153	\$5,514
Confirmation #3 Monrovia Redevelopment Agency	Credit	Jan-98	Jan-01	\$8,600,000	\$229,727	\$8,829,727	\$13,270	\$32,964
Confirmation #4 & #5 First Class Foods / Alliance	Credit	Apr-98	Apr-03	\$3,750,000	\$55,479	\$3,805,479	\$5,708	\$5,708
Confirmation #6 Western Saw	Credit	Jun-98	Jun-03	\$3,600,000	\$53,260	\$3,653,260	\$3,734	\$9,214
Confirmation #8 Delta Tau Data Systems	Credit	Aug-98	Aug-01	\$5,800,000	\$85,808	\$5,885,808	\$14,715	\$14,715
Confirmation #9 Dix Metals	Credit	Sep-98	Sep-01	\$5,560,000	\$82,258	\$5,642,258	\$14,231	\$14,231
Confirmations #10 & #11 City of Fillmore	Credit	Sep-98	Sep-01	\$13,070,000	\$249,225	\$13,319,225	\$27,091	\$27,091
Confirmation #12 Accurate Engineering	Credit	Oct-98	Oct-01	\$5,000,000	\$73,973	\$5,073,973	\$11,409	\$11,409
Confirmation #13 The Terraces/Park Marino	Credit	Oct-98	Oct-01	\$8,000,000	\$131,507	\$8,131,507	\$18,070	\$18,070
Confirmation #14 Santa Paula (Water Supply)	Credit	Nov-98	Oct-01	\$24,500,000	\$467,178	\$24,967,178	\$12,067	\$12,067
TOTAL:				\$502,544,121	\$9,386,852	\$511,930,973	\$931,234	\$3,585,663

STRS CREDIT ENHANCEMENT PROGRAM
BANK EXPOSURE
PROGRAM SUMMARY AS OF FEBRUARY 10, 1999

Deal	Commitment	Interest	Total	Portfolio Percentage
PARTNER INSTITUTION				
Port of Long Beach				
Canadian Imperial Bank of Commerce (CIBC)	\$75,000,000	\$0	\$75,000,000	14.92%
Buck Research Center on Aging (CIBC)	\$27,500,000	\$397,808	\$27,897,808	5.47%
USA Waste Industries				
Bank of California	\$9,764,121	\$0	\$9,764,121	1.94%
San Diego Unified Port District (CIBC)	\$35,000,000	\$1,365,243	\$36,365,243	6.96%
San Diego Unified Port District (CIBC)	\$15,000,000	\$585,104	\$15,585,104	2.98%
Pasadena Parking Authority (CIBC)	\$9,000,000	\$693,750	\$9,693,750	1.79%
Pasadena Rose Bowl (CIBC)	\$15,600,000	\$276,956	\$15,876,956	3.10%
TOTAL - PARTNER INSTITUTION	\$186,864,121	\$3,318,861	\$190,182,982	37.18%
DIRECT FINANCIAL INSTITUTION EXPOSURE				
MBIA	\$114,500,000	\$1,693,973	\$116,193,973	22.78%
Union Bank of California, N.A.	\$67,555,000	\$1,385,372	\$68,940,372	13.44%
Sanwa Bank of California	\$23,025,000	\$405,705	\$23,430,705	4.58%
Tokai Bank	\$17,900,000	\$698,224	\$18,598,224	3.56%
City National Bank	\$16,745,000	\$264,332	\$17,009,332	3.33%
Bank of America	\$15,730,000	\$351,662	\$16,081,662	3.13%
Wells Fargo Bank	\$9,655,000	\$213,350	\$9,868,350	1.92%
General Bank	\$8,600,000	\$229,727	\$8,829,727	1.71%
US Bank of California	\$6,800,000	\$78,247	\$6,878,247	1.35%
Bank of Nova Scotia	\$6,480,000	\$144,868	\$6,624,868	1.29%
Hibernia National Bank	\$6,410,000	\$143,303	\$6,553,303	1.28%
Comerica Bank - California	\$4,420,000	\$98,814	\$4,518,814	0.88%
Imperial Bank of California	\$3,700,000	\$76,636	\$3,776,636	0.74%
Pacific Century Bank, N.A.	\$3,600,000	\$53,260	\$3,653,260	0.72%
The Fuji Bank, Limited	\$3,385,000	\$70,111	\$3,455,111	0.67%
Istituto Bancario San Paolo Di Torino	\$2,500,000	\$55,890	\$2,555,890	0.50%
Mellon Bank	\$1,320,000	\$29,510	\$1,349,510	0.26%
Fleet Bank	\$1,020,000	\$22,803	\$1,042,803	0.20%
CoreStates Bank	\$685,000	\$15,314	\$700,314	0.14%
Societe Generale	\$610,000	\$13,637	\$623,637	0.12%
1st Business Bank	\$600,000	\$13,414	\$613,414	0.12%
National Bank of Canada	\$440,000	\$9,837	\$449,837	0.09%
TOTAL - FINANCIAL INSTITUTIONS	\$315,680,000	\$6,067,991	\$321,747,991	62.82%
TOTAL EXPOSURE	\$502,544,121	\$9,386,852	\$511,930,973	100.00%